

EXHIBIT: PROJECT STATUS DESCRIPTION

I. INITIAL STATEMENT

VTel Wireless, Inc. (the “Carrier”) provides this first annual Project Status Description of its Mobility Fund Phase I-supported project to provide fourth generation (“4G”) long term evolution (“LTE”) mobile service to unserved or underserved areas in the State of Vermont. The Carrier is in the early stages of expanding its existing network in order to provide 4G LTE service to the 11 census tracts, or study area codes (“SAC”s), for which it was authorized to receive support March 11, 2016, and received the first disbursement March 31, 2016.¹ Carrier will provide service to 75 percent of the road mileage within the awarded SACs within 3 years of authorization of support, as prescribed by Section 54.1006(b).²

Carrier recently constructed and is operating a 4G LTE wireless network in Vermont, including in certain census blocks within the State for which it utilized funding from the United States Department of Agriculture (“USDA”)/Rural Utilities Service (“RUS”) Broadband Initiatives Program (“BIP”), and additional funding from the State of Vermont and Vermont’s public utilities. While the recent project and the current Mobility Fund Phase I project address separate purposes and target areas, Carrier is using its Mobility Fund support to expand upon its existing 4G LTE network to cover road mileage in the 11 census tracts for which it was authorized to receive support, as shown in the Appendix I maps.

II. NETWORK DESIGN

A. Technology

Carrier will fulfill its Mobility Fund Phase I service obligations using 4G LTE technology in all 11 awarded census tracts. Carrier will provide voice and data services over its network.

B. Network and Network Components

The most significant update to the detailed project description provided in Carrier’s FCC Form 680 is that the foundational network described in Form 680 has now been constructed, and consists of 132 wireless sites deployed throughout Vermont. Additionally, as central components of the network Carrier has installed a 4G LTE wireless core that serves all of its licensed areas, along with a VoLTE-capable IMS core. The LTE Evolved Packet Core Network is able to host additional sites, as required, for the Mobility Fund expansion.

¹ See *Mobility Fund Phase I Support Authorized for 11 Winning Bids*, Public Notice, DA 16-215 (rel. March 11, 2016).

² 47 C.F.R. § 54.1006(b).

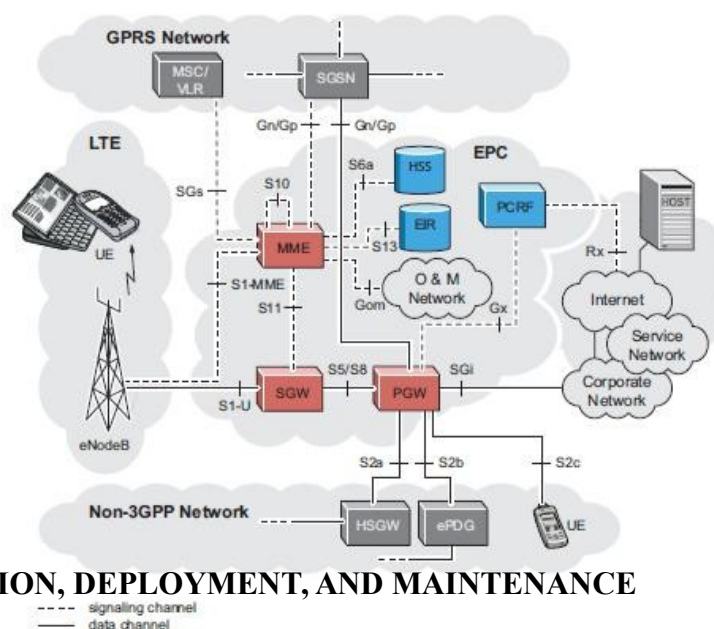
Coverage in the 11 awarded census tracts will be achieved by utilizing a mixture of “macro” cell sites mounted on communications towers, rooftops, silos, and similar structures and “micro” or “metro” cell sites mounted on utility poles and other structures. Consistent with the Project Schedule outlined here in Appendix 2 and in Carrier’s FCC Form 680 Amended Project Description, and the authorization for support Carrier received in March, 2016, Carrier is currently in the stage of analyzing coverage and reviewing available infrastructure options for deploying additional equipment where required to meet coverage objectives in each of the 11 awarded SACs.

Carrier’s SAC-specific coverage solutions will provide an outdoor minimum of 768 kbps of data downstream and 200 kbps of data upstream to handheld mobile devices, dongles, nomadic computers, and other devices capable of receiving LTE data streams. The wireless core and network, recently constructed, can support VoLTE service; and configuration and testing work by Carrier is currently underway to complete the existing core’s VoLTE capabilities. Additionally, support for E911 services is being put in place and will need to be extensively tested prior to launching voice service on the network. Carrier is in consultation with several vendors that recently began offering handsets which support VoLTE, and is working to resolve questions related to how E911 services and these handsets will standardize on support for a 4G-only network without the option of fallback to a 2G or 3G.

C. Spectrum

The Spectrum Access Exhibit of Carrier’s Form 680 long-form application detailed the spectrum licenses and the type of spectrum that will be used to deploy 4G LTE service in all 11 authorized census tracts. In short, Carrier will provide 4G LTE service to the 11 SACs using 700 MHZ C Block 4G LTE carriers, which employ 5 x 5 MHz of paired spectrum within a 6 x 6 MHz license allocation. Carrier will supplement the 700 MHz coverage with AWS spectrum, which will provide additional capacity where available and where needed if 700 MHz is not sufficient.

Figure 1: Network Design



III. CONSTRUCTION, DEPLOYMENT, AND MAINTENANCE

Construction of Carrier's 4G LTE network in the State of Vermont has been completed under the Carrier's BIP/ Smart Grid/VTel project, as explained above. As outlined in its Form 680 and the Schedule appended here, Carrier is currently conducting RF coverage analysis and testing of the network to determine the necessary site acquisitions and specific equipment deployments required to expand service to the 11 awarded tracts using Mobility Fund Phase I support authorized March 11, 2016, and first disbursed March 31, 2016. Because Carrier recently constructed and deployed its BIP/ Smart Grid/VTel-funded network, it has a number of relationships in place that will continue to facilitate acquisition, permitting, construction, deployment and maintenance of sites and equipment as necessary to serve the 11 authorized census tracts.

IV. PROJECT BUDGET

The total budget for the project is approximately \$382,330 for the 11 SACs, with the SAC-specific budget attached separately in Carrier's Form 690 filings. Because Carrier is leveraging the 4G LTE network that has been constructed by BIP/ Smart Grid/VTel funds to serve the 11 authorized census tracts, Carrier expects that the \$330,536.66 of Mobility Phase I funds awarded for the 11 tracts will be substantially sufficient to complete this project. The costs that the Mobility Phase I funds will be used to cover include RF analysis, engineering, administration, drive-testing, IMS core components, handset research, development, and deployment, equipment licensing, integration of voice on 4G LTE data, distribution of smaller pole-mounted antennae as adjuncts to base stations, placement of supporting optical fiber, and legal and regulatory compliance costs.

Carrier will cover additional funds required beyond those awarded to meet its Mobility Phase I obligations by drawing from its revenues and the revenues of its parent and sister companies, Vermont National Telephone, Inc., and Vermont Telephone Company, Inc.

Carrier estimates the following overall costs/budget for each phase of the project, with the SAC-specific budget attached separately.

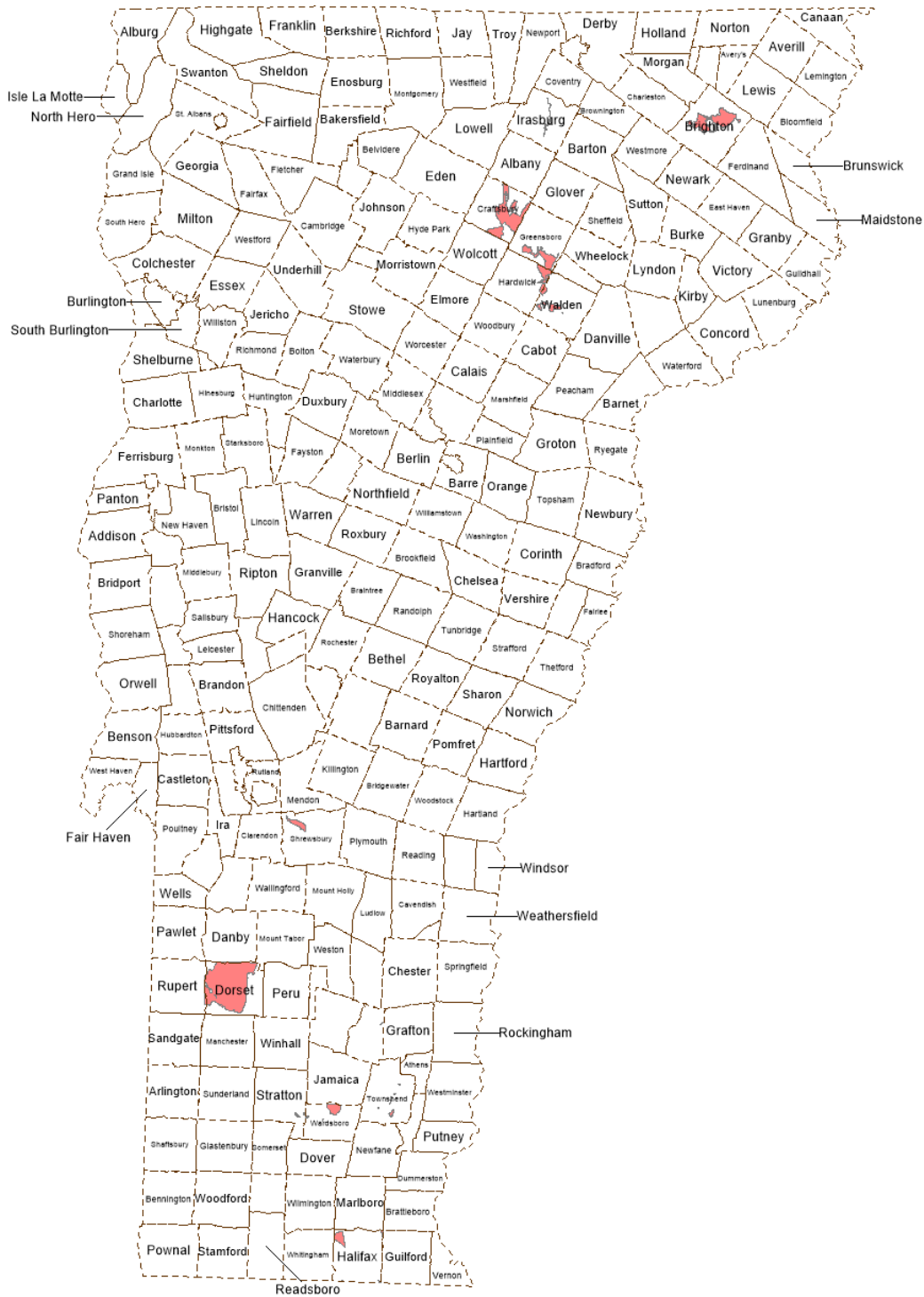
Project Phase	Estimated Costs/Proposed Budget
RF Analysis	\$14,150
Engineering	\$42,470
Administration	\$6,360
Drive Testing	\$6,030
IMS Core Components	\$56,640
Handset Research	\$1,780
Handset Development and Deployment	\$67,260
Equipment Licensing	\$53,110
Integration of Voice Capability	\$26,540
Distribution of Smaller Pole-Mounted Antenna	\$56,640
Placement and Support of Optical Fiber	\$37,150
Legal and Regulatory Compliance	\$7,100
Accounting	\$7,100

V. PROJECT SCHEDULE

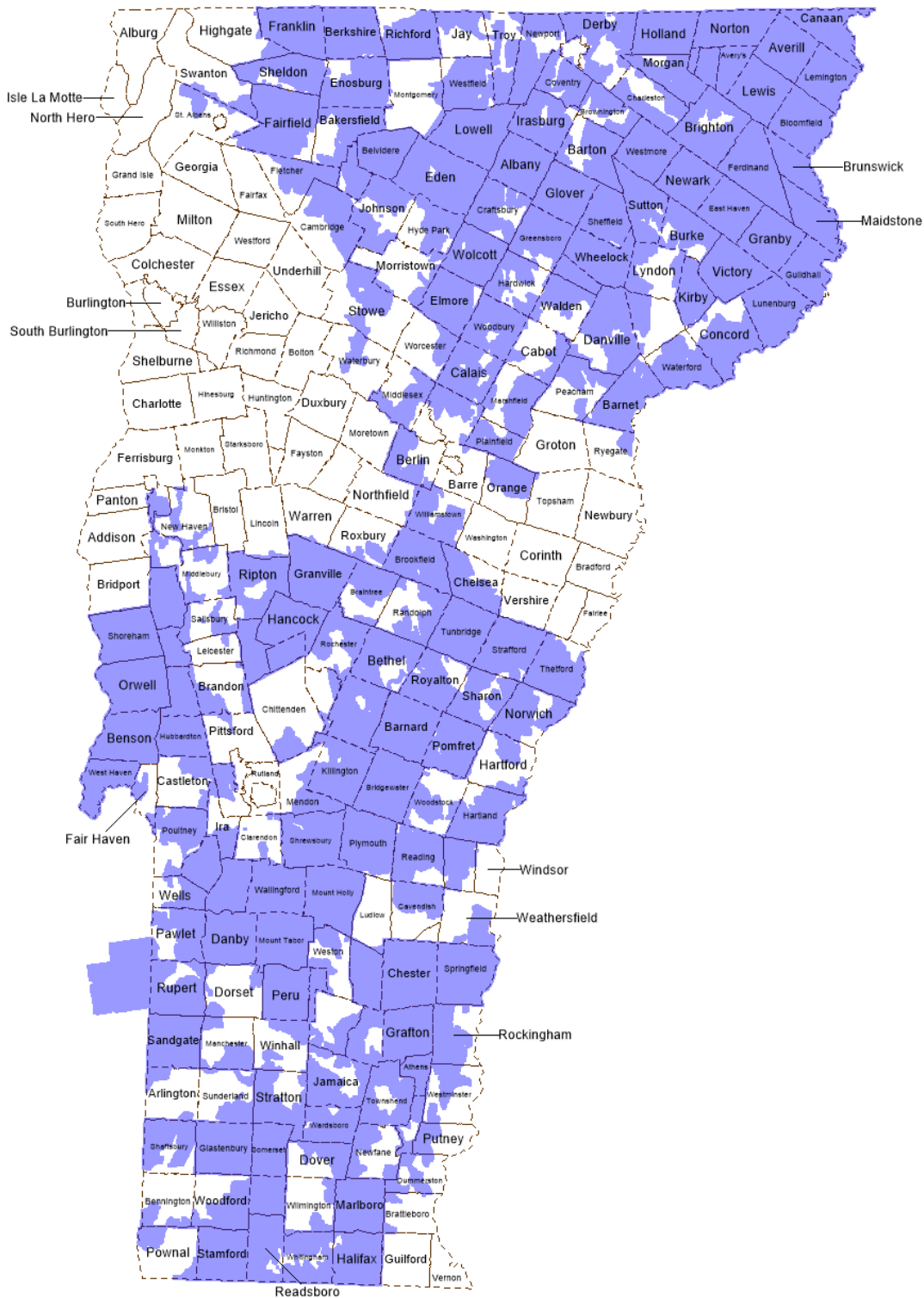
Carrier's plans for its Mobility Fund Phase I expansion remain consistent with the Project Schedule included here, based on the March 11, 2016 funding authorization, and the first disbursement of funds made March 31, 2016. See Appendix 2 for a project schedule, including timelines and milestones.

APPENDIX 1: PROJECT MAPS

Auction 901/Mobility Fund Phase I Authorized Census Tracts Map:



USDA/RUS Broadband Initiatives Program Census Blocks Map:



APPENDIX 2: PROJECT SCHEDULE
(MOBILITY FUND PHASE I AUTHORIZATION MARCH 11, 2016; FIRST DISBURSEMENT MARCH 31, 2016)

Milestones	Months						
	G	G+1 - G+6	G+7 - G+12	G+13 - G+18	G+19 - G+24	G+25- G+30	G+31 - G+36
First Disbursement of Mobility Funds	G	G+1 - G+6	G+7 - G+12	G+13 - G+18	G+19 - G+24	G+25- G+30	G+31 - G+36
RFP Development and Selection	Already Completed Under BIP-Funded Project						
Design, Testing, Analysis							
Acquisition, Permitting as Necessary							
Construction, Final Testing/Analysis/Verification							

G= First Disbursement of Mobility
Fund Support Made March 31, 2016